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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91125615
Party	Defendant THE UNIVERSITY OF SOUTH CAROLINA THE UNIVERSITY OF SOUTH CAROLINA ,
Correspondence Address	JOHN C. MCELWAINE NELSON MULLINS RILEY & SCARBOROUGH, LLP 151 MEETING STREET, SUITE 500 CHARLESTON, SC 29401 UNITED STATES john.mcelwaine@nelsonmullins.com
Submission	Rebuttal Brief
Filer's Name	John C. McElwaine
Filer's e-mail	john.mcelwaine@nelsonmullins.com, miriam.pinckney@nelsonmullins.com
Signature	/john c. mcelwaine/
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

University of Southern California)	Opposition No. 91125615
)	
Opposer,)	Serial No. 75/358,031
)	
vs.)	Mark: SC (Stylized)
)	
University of South Carolina,)	Filed: September 16, 1997
)	
Applicant.)	Published: May 18, 1999
)	

APPLICANT'S REPLY BRIEF AS PLAINTIFF IN COUNTERCLAIM FOR CANCELLATION

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I. INTRODUCTION

In its Reply Brief, the University of Southern California ("California") disingenuously argues that the University of South Carolina ("South Carolina") has admitted that there is a likelihood of confusion. However, it is readily apparent from a cursory reading of South Carolina's briefs in this matter that South Carolina has steadfastly asserted that there is not a likelihood of confusion between the South Carolina Baseball Logo and any use of the letters "SC" by California.

At the outset, South Carolina did not desire to file such a counterclaim. However, as discussed herein, South Carolina is the senior user of the letters "SC." This use began upon its founding as South Carolina College which used the service marks, SC College, SCC and SC, and as early as the founding of the State of South Carolina, of which the University is an alter-ego, which used the letters "SC" in connection with government services, including related educational services. When the issue of senior use was raised as a defense to California's claims, the Board ordered that South Carolina amend its Answer to add a counterclaim of cancellation.

South Carolina amended its Answer pursuant to these instructions alleging that it was the senior user, but as stated in its Opening Brief, South Carolina maintained that there was not a likelihood of confusion for numerous reasons. South Carolina pointed out there was such a dramatic difference in the stylization of the South Carolina Baseball Logo and either California's Baseball Interlock or Athletic Interlock that confusion is not likely.

These differences were particularly important because of the weak scope of protection that should be afforded California's use of the letters "SC." The letters "SC" as used by California are descriptive as initials for "Southern California." Although, California asserted that it is commonly referred to as "SC," the vast majority of evidence (submitted by California) established that California was commonly referred to as "USC," "the Trojans" or "Southern Cal."

In fact, the letters "SC" do not come close to being exclusively used by California. They have been used as marks by the State of South Carolina and by its agency the University of South Carolina as

well as by at least twenty-seven other universities, including Spelman College, Santa Clara University and Smith College. As an admission of its weakness, California entered into a consent to use agreement with Spelman College, agreeing that there was no likelihood of confusion between Spelman College's use of the letters "SC" and California's use of the letters "SC."

Also, as a result of a crowded field of "SC" marks, California was forced to limit its channels of trade in its "SC" word mark registration to "university authorized channels of trade" for gift items in International Classes 6, 8 and 24. However, for clothing and headwear in International Class 25, the channels of trade were further restricted to "university controlled outlets," i.e., California's bookstore.

The difference in appearance of the marks, its weak nature and the limited channels of trade further thwart California's claims because it was established that consumers of California's and South Carolina's licensed products are primarily fans, students, alumni and staff and that the conditions surrounding the sales of collegiate branded products to these consumers was such that they are able to distinguish even slight variations in the stylization of initials and identify the proper source of these products. Fans and even casual consumers of collegiate branded products are intimately aware of color combinations, trademarks and other source indicators of the universities and are accustomed to noticing these distinctions. This is why out of the numerous examples of overlapping initials used by universities and colleges throughout the United States consumer confusion is not rampant. Try as it may, California could not realistically challenge and defeat the common sense that consumers of collegiate products employ to distinguish one school's products from another's.

As to priority in the "SC" interlock mark, California's sworn statement that its date of first use for its Athletic Interlock mark is 1994 – *three years* – after South Carolina's first use of the letters "SC" in interlocking block form. South Carolina's prior first use, alone, is sufficient to entitle it to cancellation of the Athletic Interlock mark. If that were not enough, South Carolina also has clear priority in the term "SC" to identify South Carolina's goods and educational and athletic services. Despite California's many red herrings, it cannot escape the reality that South Carolina's 1890's Freshman Rat Hat, bearing the letters "SC" is the earliest evidence of any party's use of the common law mark on apparel as a source

designator for its educational services. Nor can it obfuscate the fact that the University of South Carolina is an alter ego of the State of South Carolina, and that any use of "SC" by the State since the 1700s is in fact equivalent of use by the University.

The Board should also reject California's last gasp effort to avoid cancellation through its argument that South Carolina has somehow abandoned its use of its "SC" common law mark. California's position defies credibility – South Carolina has always been known as "SC," and has continuously used its "SC" common law mark as a source designator for its educational services from the 1800s to present day.

II. THE BOARD SHOULD CANCEL CALIFORNIA'S '137 ATHLETIC INTERLOCK REGISTRATION

In the unlikely event that the Board finds a likelihood of confusion between South Carolina's mark and California's Athletic Interlock Mark, the Board should cancel California's '137 Registration. It is well-established that a valid ground for cancellation under Section 2(d) of the Lanham Act exists where a party can show it has priority in the use of the mark or trade name and where likelihood of confusion exists.¹ See 3 McCarthy on Trademarks and Unfair Competition, § 20:53 (4th ed. 2006). Indeed, South Carolina's continuous use of the letters "SC" in interlocking block form since 1991 pre-dates California's first use in 1994, as sworn to this Board in its '137 registration statement.

Additionally, South Carolina has priority over California in any use of the term "SC" since (1) South Carolina has the only viable evidence of any use of the term "SC" by the parties in the 1800s; (2) South Carolina has priority in the term "SC" through use of the common law mark for over one hundred years on its goods, and through its educational services and athletic exhibitions; (3) South Carolina has

¹ As stated in South Carolina's moving brief on cancellation (See Applicant South Carolina's Moving Brief in Support of its Counterclaim for Cancellation, dated Oct. 9, 2006 ("App. Br.") at 3, 46-47), South Carolina's arguments on cancellation are in the alternative to its primary argument on likelihood of confusion. California's statements to the contrary – that an argument concerning cancellation is purportedly an implicit admission of confusion (Opposer California's Opposition Brief on Cancellation, dated Nov. 17, 2006 ("Opp. Reply Br.") at 50) – is ludicrous and patently false.

continually used – and never abandoned – its use of its “SC” mark; and (4) South Carolina has been identified by the term “SC” for nearly two hundred years by virtue of being the State’s University.

A. It is Undisputed that South Carolina Adopted an Interlocking Block “SC” Mark *Three Years* Prior to California’s First Averred Use of the Athletic Interlock Mark.

Evidence of South Carolina’s first use of an interlocking block “SC” mark is undisputed and clear on its face. In 1991, South Carolina adopted and continuously used an interlocking “SC” mark nearly identical to California’s Athletic Interlock mark. (A-Exs. 145, p. 3; 160, p. 121; 146, p.2; 147, p. 2; 157, pp. 41, 45; 206; O-Ex. 12, p. 1.) In its statement of first use in its ‘137 Registration, California averred to the USPTO that it had only used its interlocking “SC” mark in commerce since 1994 – *three years* after South Carolina began using its interlock “SC” mark. (See A-Ex. 210, Opposer California’s Opposition Brief on Cancellation, dated Nov. 17, 2006 (“Opp. Reply Br.”) at 46.)

California did not advance any evidence to show otherwise, or even seriously challenge South Carolina’s first use evidence. (See App. Br. at 7, 46.) Instead, it advances a patently false assertion that South Carolina’s claims regarding priority of use are “new and unpled.” (Opp. Reply Br. at 49-51.) California’s argument concerning a so-called “new and unpled theory” defies credibility and belies the weakness in its position on cancellation. South Carolina’s counterclaim unequivocally states that it used the mark “SC” prior to the first use date asserted by California in all International Classes of the ‘137 Registration. (See Counterclaim ¶¶ 21-35.) For example, South Carolina’s counterclaim specifically pleads that it adopted and continuously used the letters “SC” in connection with “its educational services, live exhibitions of its athletic teams, retail sales of [South Carolina’s] products and in connection with various goods sold or licensed to be sold by [South Carolina] including but not limited to clothing, sporting goods and school supplies” since its founding in 1801. (See *id.* at ¶ 26.) Additionally, South Carolina noted priority in the letters “SC” due to use by its athletic teams, including the use of the letters “SC” in a similar descending manner by its football team. (See *id.*) Moreover, South Carolina pleaded that California’s ‘137 registration of the letters “SC” “are similar to the letters ‘SC’ which were previously adopted and continuously used by [South Carolina],” (*Id.* at ¶¶ 29-30), and that South

Carolina has superior rights in the letters "SC" on specific basis that it "adopted and used the letters 'SC' prior to California." (Id. at ¶ 31.) South Carolina's counterclaim is more than sufficient to place California on notice of its theory that South Carolina has priority over the use of the interlocking "SC" based on its prior use of such a mark. "The federal courts act under a notice pleading, not a fact pleading regime. . . . All that need be specified is the bare minimum facts necessary to put the defendant on notice of the claim so that he can file an answer." Papa John's Int'l, Inc. v. Rezko, 446 F. Supp. 2d 801, 807 (N.D. Ill. 2006) (trademark or unfair competition claims under Lanham Act sufficiently pled with vague statements concerning impermissible use of marks and the likelihood of confusion because the complaint sufficiently placed the defendants "on notice of the allegedly illegal conduct"); see also Fed. R. Civ. P. 8(a), 10(b).

Second, devoid of any support, California contends that its '953 Registration for the word mark "SC" in typed form somehow provides it with a retroactive first use date for the '137 Registration which back-dates the '137 Registration's first use date of 1994. (Opp. Reply Br. at 50; A-Ex. 210.) California's argument that the Board should disregard the 1994 first use date averred in the '137 Registration is improper and meritless. It is well established that in determining the nature of rights in federal registrations, the Board must predicate its decisions only upon the written contents of the specific registration at issue, regardless of any extrinsic evidence to the contrary. See Jim Beam Brands Co. v. Beamish Crawford Ltd., 937 F.2d 729, 734, 19 U.S.P.Q.2d 1352 (2d Cir. 1991) (Rights in a federal registration "are determined as of the format and goods in *that* registration, regardless of the reality of actual usage." (emphasis added)). California has not cited a single case for its self-created, retroactive first use standard, nor would such precedent be applicable, as determinations in cancellation proceedings must be based upon the mark "*exactly* as shown in the [registration]." Id. (emphasis added); see B. Kuppenheimer & Co. v. Kayser-Roth Corp., 51 C.C.P.A. 902, 908, 140 U.S.P.Q. 262 (C.C.P.A. 1964) ("Our decision can properly be based only upon what the application shows as the trademark . . ."). Since the earlier first use date is not contained in the '137 Registration and the marks sought to be

registered in the '137 and '953 Registrations are not identical , the Board should reject California's attempt to bootstrap first use dates to benefit its '137 Registration here.

B. South Carolina Has Priority in the Mark "SC" over California.

As noted in South Carolina's opening brief on cancellation, South Carolina has priority in the mark "SC" since it has made significant and continuous use of the letters "SC" to identify its services and goods since it was founded in 1801. (App. Br. at 4-6, 46-47.) California attempts to counter this fact by arguing that (a) South Carolina's use of "SC" on the Freshman Rat Hat beginning in at least 1899 "cannot count" for purposes of priority; (b) South Carolina purportedly abandoned its "SC" common law mark, despite continuous use of the mark for over 100 years; and (c) the State of South Carolina's rampant use of the term "SC" as a source identifier for its services inexplicably does not inure to the benefit of its primary educational agency because education is not a "traditional governmental service." California's contentions are meritless.

1. South Carolina's Continual Use of the "SC" Mark
Since the 1800s Dooms California's Registration.

California glosses over late 1890s and early 1900s evidence that the "SC" common law mark was the source identifier for South Carolina's athletic and educational services. Instead, California focused its efforts on dissuading the Board from considering use of the "SC" common law mark on the Freshman Rat Hat, a beanie that all South Carolina freshmen were required to wear since at least 1899.² Apparently conceding that South Carolina has the first use in commerce of the "SC" mark at least through its "Rat Hat," California hangs its priority arguments on the illogical and unsupported contention that "the rat hat cannot count." (Opp. Reply at 49.) Specifically, California opines that (a) the Rat Hat "cannot count" as evidence in determining South Carolina's continuous use in its "SC" common law mark because yearbook evidence shows use of the hat by freshman students for only certain years, despite other types of evidence showing use; (b) the Rat Hat is not a product because it is a "school uniform;" and (c) yearbook evidence purportedly does not show South Carolina's use of the Rat Hat after the early 1960s, despite

² The earliest evidence of the letters "SC" in connection with either party's athletic services is a South Carolina 1898 photograph. (See, e.g., App. Br. at 5-6.)

continued use of the source-identifying common law "SC" mark on other goods and for other services. California's arguments are not grounded in law or fact.

(a) The Use of the "SC" Mark on the Rat Hat Was Continuous.

First, California's conclusory opinion that the Rat Hat should be discounted because yearbook evidence purportedly does not show the exact same use of the letters "SC" from year to year assumes far too much. Notably, California does not cite – because it cannot cite – any case law supporting its contention that yearbook pictures are dispositive of the question of use concerning a university's mark. Certainly the lack of a yearbook picture is not evidence that a university ceased use of a mark because it is not an index of product and services. Though yearbook evidence supports South Carolina's continuous use of the "SC" mark for over 100 years as a source designator for its educational and athletic services, other types of evidence – including testimonial evidence by South Carolina's Archivist – further support a finding of priority. (App. Br. at 6 (citing evidence); A-Ex. 152, p. 380; A-Ex. 153, p. 397; A-Ex. 155, p. 314.)

California attempts to discount the uncontested testimony of Elizabeth West, a South Carolina Archivist since 1995. (TD-West 4:14-5:7.) As discussed in the opening brief, (App. Br. at 5-6), Ms. West thoroughly reviewed South Carolina's records and testified that based on her review of documents she had obtained for patrons during her employment and on her experience as an archivist, South Carolina has used the letters "SC" continuously to represent itself as the official university of the State of South Carolina. (TD-West 19:21-21:14; 22:4-13; 47:6-50:9.) California's objections to Ms. West's testimony based on her lack of personal knowledge of the 1899 Rat Hat and best evidence are misplaced. It is well-established that an archivist who has personal knowledge about her employer's record keeping system and has retrieved records from the employer's archives can testify as to what she has found and concluded from the documents, even when the documents themselves are not produced. See Abbott Labs. v. Torpharm, Inc., No. 97C7515, 2003 WL 22462614, at **11-12 (N.D. Ill. Oct. 29, 2003) (permitting fact witness archivist to testify concerning molecular structure of compounds indicated in archived documents not introduced into evidence); see also U.S. v. Herring, 72 Fed. Appx. 57, 64 (5th Cir. 2003) (analyst who

conducted review of defendant's credit card charges competent to testify as to the result of his analysis, despite that he was not qualified as an expert). Additionally, personal knowledge includes inferences and opinions, not just firsthand experience. See U.S. v. Doe, 960 F.2d 221, 224 (1st Cir. 1992) (fact witness may testify based on personal observation and experience despite lack of personal knowledge); Friedman v. Sealy, Inc., 274 F.2d 255, 257, 124 U.S.P.Q. 196 (10th Cir. 1959) (testimony sufficient to show continued use). California's objections may only go to the weight, of Ms. West's testimony, not admissibility. See, e.g., U.S. v. Van Dorn, 925 F.2d 1331, 1337-38 (11th Cir. 1991); MBAFB Fed. Credit Union v. Cumis Ins. Soc'y, 681 F.2d 930, 932-33 (4th Cir. 1982). California has not attacked Ms. West's credibility here.

Nor was Ms. West's testimony introduced for the purpose of proving the content of a writing, and is thus not subject to the best evidence rule. Instead, Ms. West's testimony is introduced for the purpose of providing the fact that the South Carolina continuously used its "SC" common law mark. See U.S. v. Hernandez-Fundora, 58 F.3d 802, 807-08 (2d Cir. 1995) (testimony not subject to best evidence rule where used to prove the fact of a defense rather than the contents of the writing.); U.S. v. Sliker, 751 F.2d 477, 483-85 (2d Cir. 1984) (same).

(b) The Rat Hat Is Valid Evidence of South Carolina's "SC" Mark.

Second, California's argument that the Rat Hat cannot be evidence of use because it was "not a product" but rather a "school uniform" is similarly flawed.³ It is well-established that collegiate marks have no meaning apart from the educational, athletic and entertainment services provided by universities (the source that the marks designate). See Bd. of Trustees of Univ. of Ark. v. Prof. Therapy Servs., Inc., 873 F. Supp. 1280, 1284, 34 U.S.P.Q.2d 1241 (W.D. Ark. 1995) (noting University of Arkansas' marks pertain "to the marketing of traditional services provided by the University, such as providing college courses and promoting sporting events and musical performances"); see also Villanova Univ. v. Villanova

³ To the extent California argues that the Rat Hat is not viable proof of use because it is a "school uniform," California's own so-called evidence of use of the letters SC in the 1900s is based on the same type of evidence – use on uniforms. (See Opp. Reply Br. at 11.) There is no evidence of any use in commerce, and California should be estopped from arguing otherwise.

Alumni Educ. Found., Inc., 123 F. Supp. 2d 293, 302, 58 U.S.P.Q.2d 1207 (E.D. Pa. 2000) (“[T]he educational activities of a non-profit educational institution inherently encompass” fundraising activities – such as the sale of collegiate merchandise – “that are necessary to support its education and entertainment activities.”). Where, as here, marks associated with a university’s educational and athletic services are used in the sale of collegiate merchandise, “the collegiate mark is the actual product being sold” rather than the merchandise items themselves. Prof. Therapy Servs., 873 F. Supp. at 1289 (citing Univ. Book Store v. Bd. of Regents of the Univ. of Wisc. Sys., 1994 WL 382583, 1994 TTAB LEXIS 8 (T.T.A.B. July 19, 1994); Bd. of Governors of the Univ. of N.C. v. Helpingstine, 714 F. Supp. 167, 11 U.S.P.Q.2d 1506 (M.D.N.C. 1989)). Consumers purchase merchandise bearing collegiate marks to show their support of universities’ educational and athletic services and not because the marks are indicative of merchandise manufacturers. See Bd. of Supervisors of the Louisiana State Univ. v. Smack Apparel Co., 438 F. Supp. 2d 653, 658-59 (E.D. La. 2006) (“[C]onsumers purchase shirts of the universities’ color schemes, logos, and designs in order to show support for the particular university; there is no consumer demand without these identifying characteristics.”); see also Boston Prof. Hockey Assoc. v. Dallas Cap. & Emblem Mfg., Inc., 510 F.2d 1004, 1013, 185 U.S.P.Q. 364 (5th Cir. 1975) (consuming public knew that common law mark had a source and origin in the team, rather than the particular product). The use of a collegiate mark on collegiate merchandise is a direct extension of and reference to a university’s traditional services, rather than being separate and discrete from those services, as California contends.

To the extent that California claims that the Rat Hat is not valid evidence of South Carolina’s use of the “SC” mark because the Rat Hat was “essentially a school uniform,” such a position is contrary to well-established case law. Indeed, California cannot cite any case in support of its untenable position.⁴ A

⁴ California quixotically cites to Patsy’s Brand, Inc. v. I.O.B. Reality, Inc., 317 F.3d 209, 217, 65 U.S.P.Q.2d 1442, 1447 (2d Cir. 2003), a laches case, for the proposition that priority in the “merchandising field” for SC is “not evidence of first use in connection with collegiate clothing.” (Opp. Reply Br. at 5.) California is merely engaging in an exercise in semantics. School uniforms (if the Rat Hat could be so categorized) and collegiate apparel bearing the mark of an educational institution are both source indicators of the educational and academic services that that institution provides. The marks used on both of these articles of clothing cannot survive without the underlying services provided by

junior user of a mark, here California, is still barred from using a mark in connection with clothing lines that the senior user has not sold to the public. See, e.g., The Citadel, The Military College of S.C. v. Army & Air Force Exch. Serv., 21 U.S.P.Q.2d 1158 (T.T.A.B. 1991) (holding that The Citadel successfully opposed registration of word mark “Citadel” in connection with sale of military uniforms even though the school never sold such uniforms to the public). As the Board held in Citadel, “[w]hile opposer does not make uniforms, the uniforms worn by both the students and the staff at the school bear the words “The Citadel”. . . . It does not matter that the school does not actually sell military uniform clothing to the prospective purchasing public for such goods. . . .” Id.; see also Bd. of Trustees of the Univ. of Ala. v. BAMA-Werke Curt Baumann, 231 U.S.P.Q. 408 (T.T.A.B. 1986) (applying same reasoning and holding the University of Alabama successfully cancelled registration of the mark “Bama” in connection with athletic shoes, insoles, or socks based on the University’s use of the mark in connection with its intercollegiate athletic teams). Similarly, South Carolina has shown that it has used the mark prior to California on clothing and “uniforms” such as the Rat Hat that identify the wearer’s affiliation and support of South Carolina, and, as such, it is entitled to challenge California’s use of the mark on similar clothing sold to the public at large.

(c) South Carolina Has Continuously Used the Mark Displayed on the Rat Hat.

Finally, California claims the Rat Hat is not evidence of South Carolina’s use of the “SC” common law mark because the Rat Hat was discontinued in the 1960’s.⁵ (Opp. Reply Br. at 2, 5-6.) Specifically, California claims that any rights that South Carolina had in the “SC” mark “would have

educational institutions – unlike the retail sales of sauces that can certainly survive without connection to the restaurant services that originally bore a mark.

⁵ In this vein, California puts great weight on language in an *Illustrated History of the University of South Carolina* describing the 1950s Rat Hat as “not so different” than the 1800’s Rat Hat, and goes so far to suggest that this comment is dispositive evidence that the 1950’s Rat Hat did not bear an “SC” logo. (Opp. Reply Br. at 4.) There is no evidence to support California’s wild supposition. Even if the Rat Hat did slightly change in shape or display of the “SC” mark, it would not obviate South Carolina’s continual use of the “SC” mark on collegiate apparel as a source indicator for its educational and athletic services. Minor changes in trademark that do not change basic, overall commercial impression created on buyers will not constitute abandonment. Sands, Taylor & Wood, 978 F.2d at 955 (trademark holder’s failure to use mark for 30 years did not constitute abandonment of similar mark for use on beverages).

disappeared” between 1965 and 1997. California’s position is weak and contrary to law. There is no requirement that any particular physical product bearing a mark must continue to be sold or distributed in order for rights in the mark to continue. See Sands, Taylor & Wood Co. v. Quaker Oats Co., 978 F.2d 947, 955, 24 U.S.P.Q.2d 1001 (7th Cir. 1992) (“So long as the owner continues use of the ‘key element’ of the registered mark, courts generally will not find abandonment.”). Indeed, California was unable to cite any case in support of its contention. Since the “SC” mark is a secondary indicator of source of the educational services provided by South Carolina (rather than the manufacturer of the Rat Hat) the “SC” mark can be (and was) used on other products, including hats and clothing, from the 1960s to the present to identify the University’s services. (See, e.g., App. Br. at 3-9, 46-47; TD-West at 7:5-12; 22:4-17.) This fact is unquestionable. As noted, consumers do not purchase and wear clothing bearing university marks because those marks identify a particular clothing manufacturer; rather, they do so because of the marks’ association with the educational services provided by the university. See Smack Apparel Co., 438 F. Supp. 2d at 658-59.

2. South Carolina Has Continuously Used the “SC” Mark and California Has Failed to Prove Abandonment.

(a) California’s Assertion of Various Abandonment Periods is Bogus.

California heavily relies on the unfounded belief that it is entitled to a presumption of abandonment. California’s assertion that South Carolina somehow abandoned its use of the term “SC” is based on pure supposition and is insufficient to satisfy the “heavy” and “strict” burden on California to prove abandonment. See Cumulus Media, Inc. v. Clear Channel Commc’ns, Inc., 304 F.3d 1167, 1175, 64 U.S.P.Q.2d 1353 (11th Cir. 2002) (“[T]he burden a defendant bears on the affirmative defense of abandonment is, in fact, ‘strict.’”) (citing cases). Indeed, South Carolina has used the term “SC” as an identifier for its goods, educational services, and athletic services continuously and has been recognized as part of the State of South Carolina – unequivocally known as “SC” – since the early 1800s. (App. Br. at 3-9, 46-47.) See W. Fla. Seafood, Inc. v. Jet Rests. Inc., 31 F.3d 1122, 1126-27, 31 U.S.P.Q.2d 1660 (Fed. Cir. 1994) (recognizing that separate corporate, business, and personal entities that operate as a

single entity in the eyes of the consuming public should be treated as a single entity for trademark purposes). California's unwarranted assertion of its smoke and mirrors position is fatal to California's argument here. Namely, California brashly disregards strong evidence of South Carolina's continued use of "SC," the continuing good will in South Carolina's common law "SC" mark, and the undeniable fact that the State of South Carolina's use of the "SC" mark is for all legal intents and purposes use by South Carolina.

California's contention that South Carolina abandoned its use of the letters "SC" as a source identifier for the university's services and goods is illogical and should be disregarded by the Board. Specifically, California attempts to cabin periods of use and non-use based on yearbook evidence. As noted, merely because the mark, as used on certain articles of clothing, but was not evidenced in yearbooks does not lend itself to a finding of abandonment. Indeed, there is no requirement of proof through yearbook use, and any lack of evidence in the yearbook does not obviate the undeniable fact that South Carolina has used the term "SC" continuously to designate its educational and athletic services. South Carolina's Archivist, Elizabeth West, testified that based on her review of documents and her experience as an archivist at the university for over 10 years, South Carolina unequivocally and continuously used the letters "SC" to represent itself since its establishment in the early 1800s. (TD-West 22:4-13.) South Carolina has also provided the Board examples of the mark used on various apparel for over 100 years. (App. Br. at 4-7, 46-47.) Further, California's contention that South Carolina engaged in "subsequent use of an abandoned mark" lacks foundation, since South Carolina never abandoned its "SC" common law mark in the first place. South Carolina's fans and alumni, among others, have continuously associated the term "SC" with South Carolina's services and goods, and California cannot show otherwise. (App. Br.4-10, 46-47.)

To the extent California is claiming some form of laches, any argument that South Carolina's tolerance of California's use of an "SC" mark in what California contends is the same field is misleading. Such a distinction is meaningless since consumers purchase and wear clothing bearing marks because of the association of marks with the educational services of those universities. Indeed, due to significant

overlap among use of the same letters to identify educational institutions and athletic services without confusion, there is a certain level of expectation and tolerance in the field that such use is permissible as consumers readily identify the source of the marks through color and stylization. (See App. Br. at 17-22.) Additionally, the balance of the equities would bar California from this argument since it has tolerated extensive third party use of the term “SC” in the field, and has previously engaged in agreements concerning “USC” and “SC” with South Carolina and other schools.

Since California has failed to show that it is entitled to a presumption of abandonment, it retains the burden of proof regarding South Carolina’s supposed intent to abandon. See Seidelman Yachts, Inc. v. Pace Yachts, Corp., 13 U.S.P.Q.2d 2025 (4th Cir. 1990). California failed to establish any evidence of intent by South Carolina to abandon its “SC” common law mark. Nor could it, since the evidence clearly shows that South Carolina never abandoned its “SC” common law mark. Accordingly, California has failed to meet its burden of establishing an abandonment defense to cancellation.

(b) South Carolina’s Use of “SC” is Constant as the Primary Public Educational Institution of the State.

There can be little dispute that the State of South Carolina has adopted and continuously used the letters “SC” as a symbol of its sovereignty since the time of the American Revolution in the 1700s. (TD-West 5:8-6:8; App. Br. at 4, 47.) The letters “SC” have long identified agencies of the State of South Carolina, as well as their goods and services, as deriving from a single sovereign source. (TD-West 5:23-6:8; Stip. Fact ¶¶ 100-107; A-Ex. 91-95, 97-98, 100, 102, 104.) California cannot and does not dispute this. Rather, California again attempts to obfuscate the issues by arguing that South Carolina, an agency of the State, cannot claim the benefit of the use of the letters “SC” by the State of South Carolina because South Carolina’s use is not connected to “traditional government services.” However, “education is perhaps the most important function of state and local governments; indeed, it is a vital national tradition.” Columbus Bd. of Educ. v. Penick, 443 U.S. 449, 469, 99 S. Ct. 2941, 2953 (1979) (internal quotation marks omitted); see also Md. Stadium Inc. v. Ellerbe Becket Inc., 407 F.3d 255, 265 (4th Cir. 2005) (“Higher education is an area of quintessential state concern and a traditional state governmental

function.”); Barnhorst v. Mo. State High Sch. Activities Ass’n, 504 F. Supp. 449, 457 (W.D. Mo. 1980) (“It is beyond cavil that education is a traditional function of the state, and perhaps the most important function of state and local governments.” (internal quotation marks omitted)). As previously established, South Carolina’s use of the letters “SC” on collegiate merchandise is a reference to the goodwill associated with the services that it provides in fulfilling one of, and perhaps the most critical function, of the State of South Carolina. Governmental services, here so intertwined with university services, serve as secondary indicators of source to the clothing bearing the University’s logos. See W. Fla. Seafood, 31 F.3d at 1127 (in cancellation proceeding, where organizations are viewed as interrelated, alter egos, are related in corporately or personally, it would be an “unjustifiable refusal” for Board to discredit evidence of prior use based on older organization’s use of mark) (emphasis added). California’s argument that South Carolina’s use of “SC” is unconnected to traditional governmental services is simply without merit.

Furthermore, even if South Carolina’s use were somehow different from and unconnected to traditional governmental services, South Carolina, as an agency and alter ego of the State of South Carolina, is entitled to benefit from the use of the letters “SC” by the sovereign entity with which it is one and the same. See Bd. of Governors of Univ. of N.C., 714 F. Supp. at 176 (“Further, as protection of the name and symbols of the State is an inherent power of states, UNC-CH and its governing board were acting as sovereigns in instituting the trademark licensing program.”); see also App. Br. at 47 (citing cases). California’s reliance on Proctor & Gamble Co. v. Johnson & Johnson, Inc. for the proposition that South Carolina does not benefit from the State’s use (and strengthened source identification) of the letters “SC” is clearly misplaced. 485 F. Supp. 1185, 205 U.S.P.Q. 697 (S.D.N.Y. 1979). In Proctor & Gamble, the company intentionally minimized its connection to its products so that each of its brands stood “as an independent self-sustaining competitive unit” separate and distinct from the company itself. Id. at 1199. South Carolina enjoys no such independence from the State of South Carolina with which, together with its sister agencies, it is part and parcel. (See App. Br. at 47.) See W. Fla. Seafood, 31 F.3d at 1127. Nor can California show that South Carolina has ever had any of intention of distinguishing

itself from the State. Being cut from the same cloth, any use of the symbols of state sovereignty by the State of South Carolina benefits South Carolina.

- (c) The Goodwill Created by South Carolina's Use of its Common Law "SC" Mark Establishes Continued Use of the Mark and Prevents California from Using an Athletic Interlock "SC."

Even if the Board were to find that South Carolina somehow discontinued use of its common law "SC" mark (though evidence suggests the contrary), the reservoir of goodwill in its mark has been maintained through South Carolina's continuous provision of educational, athletic, and other services under names that connote its "SC" mark and its status as a University of the State of South Carolina. Indeed, the high degree of goodwill associated with South Carolina that the "SC" mark represents obviates California's arguments regarding abandonment and underscores the continuing association of the "SC" common law mark with South Carolina. (App. Br. at 4-10, 17-18, 46-47; Stip. Facts ¶¶ 82-83.)

So long as a mark continues to symbolize "the goodwill attaching to a business," others will be prevented from using that mark to avoid deceiving the public as to the source of goods or services. Even if a mark's owner abandons his mark by discontinuing its use, use of the mark by others cannot occur until the mark "ceases to be associated in the public's mind with the owner's goods or services." Defiance Button Mach Co. v. C&C Metal Prods. Corp., 759 F.2d 1053, 1059, 225 U.S.P.Q. 797 (2d Cir. 1985) (noting that "[a] trademark or trade name symbolizes the goodwill attaching to a business."). "[G]oodwill does not ordinarily disappear or completely lose its value overnight. Erosion from non-use is a gradual process. As long as the mark has significant remaining value and the owner intends to use it in connection with substantially the same business or service (i.e., as a source indicator of educational services), the public is not deceived." Id. at 1060. Indeed, where marks maintain visibility in the marketplace and, thereby, their goodwill value, non-use cannot be inferred to sustain a presumption of abandonment. See, e.g., Emergency One, Inc. v. Am. FireEagle, Ltd., 228 F.3d 531, 537, 56 U.S.P.Q.2d 1343 (4th Cir. 2000) (noting that where marks remain visible on goods with long lives, the goodwill value of marks persists long after production has ceased); Indianapolis Colts, Inc. v. Metro. Baltimore Football Club Ltd., 34 F.3d 410, 412-13, 31 U.S.P.Q.2d 1811 (7th Cir. 1994) (no abandonment despite

nine years of non-use); Seidelman Yachts, Inc. v. Pace Yacht Corp., 13 U.S.P.Q.2d 2025 (4th Cir. 1990) (citing to “testimony” and “good will” in the mark in support of finding of no abandonment despite seven year gap in use) (citing Skippy, Inc. v. CPC, Int’l, Inc., 674 F.2d 209, 216 U.S.P.Q. 1061(4th Cir. 1982) (no abandonment despite twenty-three year gap in use)); Saratoga Vichy Spring Co., Inc. v. Lehman, 625 F.2d 1037, 1043-44, 208 U.S.P.Q. 175 (2d Cir. 1980) (no abandonment despite seven year gap in use); Sterling Brewers, Inc. v. Schenley Indus., Inc., 441 F.2d 675, 169 U.S.P.Q. 590 (C.C.P.A. 1971) (no abandonment despite eight years of non-use)).

Here, goods bearing South Carolina’s “SC” common law mark, such as hats purchased by its fans, likely remain in commerce for years, if not decades. (App. Br. at 17-18.) Products bearing South Carolina’s mark are not ephemeral or fleeting in nature, but rather are long-lasting products that are worn or used by its fans over long periods of time. See Emergency One, 228 F.3d at 537; Seidelman Yachts, 13 U.S.P.Q. at 2028. South Carolina’s “SC” mark is able to maintain its good will value through this extended fan use which prolongs the mark as an identifier of the University’s educational services. California has failed to advance any evidence to sustain its strict and heavy burden of proof that somehow South Carolina’s goodwill in its common law “SC” mark disappeared over the last one hundred years. See Cumulus Media, 304 F.3d at 1175 (noting strict burden on party asserting abandonment and affirming holding of no abandonment where “considerable good will accrued” to party through use of the mark). Surely California would have brought forth such evidence if it existed, instead of tellingly remaining silent. If anything, the goodwill in South Carolina’s common law “SC” mark has gained marked strength. (App. Br. at 4-10, 17-18.) Such goodwill further obviates any purported “gaps” in use on which California hangs its cancellation defense, and strongly supports South Carolina’s position that it never had any intent to abandon its “SC” mark.

3. California’s Evidence Concerning its Use of “SC” is Weak and Does Not Continuously Date Back to 1906.

Many of California's newly asserted arguments about purported flaws in the quality of South Carolina's evidence are surprising since California's own, similar evidence is of the same – and many

times of lesser quality. California is unabashedly asserting one standard for its own evidence, while imposing more stringent requirements on South Carolina's evidence of use. South Carolina will not attempt to rehash the copious evidence it previously asserted concerning California's junior rights in, and token use of, any "SC" mark. It bears noting, however, that California has failed to establish that it used an "SC" mark on any goods prior to 1906, at best, and failed to show that it continuously used any such mark continuously to present date.

For example, despite California's half-hearted contention to the contrary, there is absolutely no evidence that California used an "SC" mark on any goods prior to 1906. California contends that it used "SC as a primary identifying mark before 1906" and points to (i) an 1898 supposed yearbook photo depicting "SC" as a "University Monogram", (ii) a 1904 picture showing a football player wearing an "SC" logo, and (iii) a 1905 picture of the band showing the letters "SC" on a drum. (Opp. at 11, citing O-Exs. 20.2, 79.2, 80.2.) The "University Monogram" is a large C and a small S ("CS"), and the same page notes that the California's Pin is labeled "USC". There is simply no evidence that this "Monogram" was ever used on any goods in commerce. The 1904 and 1905 pictures depict the letters "CS" – not "SC" -- and do not show any use of that mark on goods in commerce either.⁶ California fails to assert any documentary or testimonial evidence showing otherwise.

Further, California's "SC" pictures from yearbooks – evidence to which it is vehemently opposed when examining South Carolina's marks – are not as clear as South Carolina's evidence, nor do they show any prior use of an "SC" mark by California, much less a continual use. For example, California's assertion that has used a baseball interlock form of the letters "SC" continuously since 1958 is simply incorrect. Indeed, though it urges that South Carolina should have to show use year by year through yearbook pictures, California's own pictorial evidence is scarce, at best. For example, the exhibit cited by Carolina in its brief, O-Ex. 114.2, has nothing to do with baseball and is devoid of any evidence of use of an "SC" mark on goods. It is impossible to see any mark whatsoever on exhibit O-Ex. 117.2, used by

⁶ California's arguments that the Rat Hat is merely a "uniform" and not a product would equally apply to California's own evidence, here. Additionally, California's contentions regarding use of yearbook evidence to show use should equally be asserted against it.

California to purportedly show use of an interlocking "SC" from 1960-62, the years that the student apparently played baseball for California. Even if any mark were visible, one picture of a player from one period of time cannot be used to show use of a mark over three years. Once again, California seeks to hold its evidence to a lesser standard, and completely fails to submit any other evidence, such as testimony, to support its position. Even taking California's position that it used an interlocking "SC" on uniforms in 1958, there is no evidence of any use of that mark until over nine years later, in 1967 (O-Ex. 119.1) – well behind South Carolina's first use of an interlocking "SC" mark.

Nor does California's evidence show anything other than token, sporadic use of the letters "SC," especially in comparison to its commonly used "USC" and "Trojans" marks.⁷ (See App. Br. at 11-13.) California has done nothing to refute the strong evidence showing that catalogs between 1976 and 1989 show de minimis use of the "SC" mark on goods in commerce. Instead, California cites to uses of "SC" on current websites, hoping to distract from the fact that it merely had token use of the letters "SC" during that time period. (Opp. Br. at 6-7.) For 1984, California could only cite to one hat and a pair of men's tube socks with an interlocking "SC" logo "similar to" the interlocking "SC" mark at issue here, and the evidence California cites for 1985-86 does not even resemble the interlocking "SC" mark. (Opp. Br. at 6.) Such token use of a mark by California during this time period (and prior to any registration) is insufficient to sustain a claim for priority. See 2 McCarthy on Trademarks and Unfair Competition, § 16:8 (4th ed. 2006). Notably, California asserts that South Carolina must show use of the "SC" mark in the same form on the same product (the Rat Hat) for purposes of showing priority, but again, holds itself to a much lower standard for the same type of proof. California's double standard should be rejected.

In addition to the reasons cited above (Section II.A), California's registration for its "SC" word mark (the "953 Registration") similarly fails to establish priority for California's use of the Athletic

⁷ This practice continues to this day, one need only consult sportsillustrated.com or any newspaper article to confirm that California is known as "USC", "Trojans", and "Southern Cal" – not "SC."

Interlock mark. Among other reasons,⁸ California's registration in the relevant class of goods – International Class 25 – is expressly limited to goods sold from "university-controlled outlets," here California's bookstore. (See, e.g., App. Br. at 16-27, 33-34; Stip. Fact. ¶¶ 67-70; A-Ex. 169.) In determining whether cancellation is appropriate, the Board should reject California's attempt to side-step the unavoidable fact that the Examiner imposed severe restriction in channels of trade on California's '953 Registration for International Class 25 goods. California is improperly attempting to claim registration rights in International Class 25 that have already been circumscribed by the Examiner. By doing so, California is acting in complete disregard of the USPTO's specific limitation⁹ and seeks to be rewarded for that conduct. Such a position is untenable. California is clearly the junior user, and its citation to another mark with severe limitations cannot save its '137 Registration from cancellation.

III. CONCLUSION

South Carolina has priority in its use of the term "SC" both in interlocking form and through its common law use. Despite the red herring tactics that California employs, it has failed to credibly dispute South Carolina's priority in the "SC" mark. Accordingly, if this Board were to find likelihood of confusion, it should cancel California's '137 Registration for an Athletic Interlock mark.

NELSON MULLINS RILEY & SCARBOROUGH, L.L.P.

By: s/John C. McElwaine/
John C. McElwaine
Federal Bar No. 6710
Liberty Building, Suite 500
151 Meeting Street
Post Office Box 1806 (29402)
Charleston, SC 29401
(843) 534-4302

Attorneys for Applicant University of South Carolina

Charleston, South Carolina
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⁸ As noted above, the Board should reject California's improper attempt to retroactively bootstrap the "SC" word mark's first use date onto the '137 Registration's later first use date.

⁹ California's running commentary on what the Examiner "understood" in limiting the channels of trade for International Class 25 goods is improper testimony by its counsel. (Opp. Reply Br. at 17-18.)

CERTIFICATE OF SERVICE

The undersigned of the law offices of Nelson Mullins Riley & Scarborough, L.L.P., attorneys for Applicant do hereby certify that I have served all counsel in this action with a copy of the pleading(s) hereinbelow specified by e-mailing a copy of same and by mailing a copy of the same by United States Postal Service First Class Mail, with proper postage thereon, to the following address(es):

Pleadings:

APPLICANT'S REPLY BRIEF AS PLAINTIFF IN
COUNTERCLAIM FOR CANCELLATION

Counsel Served:

Scott A. Edelman
Michael S. Adler
Gibson, Dunn & Crutcher, LLP
2029 Century Park East
Los Angeles, CA 90067-3026

s/JohnC. McElwaine/
John C. McElwaine

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